

STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Mark Miller
Representative Mark Pocan

Date: October 6, 2009

Re: August 2009 Utilization of Temporary Reallocation Authority

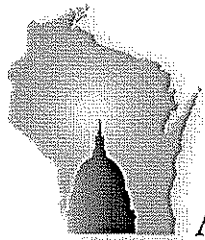
Attached is a report of August 2009 Utilization of Temporary Reallocation Authority from the Department of Administration, pursuant to s. 20.002(11)(f), Stats.

This is a monthly report from Department of Administration and was referred to the Joint Committee on Finance.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachment

MM:MP:jm



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

JIM DOYLE
GOVERNOR

MICHAEL L. MORGAN
SECRETARY

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September 30, 2009

Mr. Robert Marchant, Chief Clerk
Wisconsin Senate
B20 South, State Capitol
Madison, WI 53702

Mr. Patrick Fuller, Chief Clerk
Wisconsin Assembly
17 West Main Street, Room 401A
Madison, WI 53702

Dear Mr. Marchant and Mr. Fuller:

This report is transmitted as required by s. 20.002(11)(f), Wisconsin Statutes, (for distribution to the appropriate standing committees under s. 13.172(3), Wisconsin Statutes) and confirms that the Department of Administration has found it necessary to utilize the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative cash balances during the month of August 2009.

August 2009 Utilization of Temporary Reallocation Authority
(In millions)

Fund	Beg Bal	End Bal	Low Bal	Reason for Cash Deficit
General	-\$226.0	\$260.3	-\$231.2	Timing of revenues and expenditures
Medical Assistance Trust	-208.5	105.8	-208.5	Timing of revenues and expenditures
Inured Patients and Families Compensation	-56.9	-48.2	-56.9	See detailed explanation below
Utility Public Benefits	-4.8	-5.8	-6.4	Timing of revenues and expenditures
Permanent Endowment	307.1	-2.0	-2.0	See detailed explanation below
Mediation	-0.1	-0.1	-0.1	Timing of revenues and expenditures
Dry Cleaner Environmental Response	0.1	0.4	-0.1	Timing of revenues and expenditures

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The cash deficit in the **Injured Patients and Compensation Fund** was due to the transfer of \$200 million to the Medical Assistance Trust Fund per 2007 Wisconsin Act 20, and the pending liquidation of fund securities necessary to offset this shortfall. The cash deficit in the **Permanent Endowment Fund** was due to the difference between the deposit of \$307 million in bond proceeds and a \$309 million transfer to the Medical Assistance Trust Fund.

The General Fund, Medical Assistance Trust Fund, Injured Patients and Families Compensation Fund, Utility Public Benefits Fund, Permanent Endowment Fund, Mediation Fund, and Dry Cleaner Environmental Response Fund shortfalls were not in excess of the statutory interfund borrowing limitations and did not exceed the balances of the funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority and, as a result, the funds requiring the use of the authority will effectively bear the interest cost.

Sincerely,

Michael L. Morgan
Secretary